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ABSTRACT

To gather information helpful to employers and labor representatives considering support for employee child care services, a survey of 305 employer-sponsored child care centers throughout the United States was conducted in 1978. This report presents, and in some sections updates, findings of the survey. Responses indicate that successful employer-sponsored day care centers are attended by children whose parents work in professional as well as skilled white- and blue-collar positions. Facilities and/or services are provided by the employer for use by the child care center, and employees use automobile transportation to bring their children to the center. Employer-sponsored child care is usually located close to the work place, has flexible operating hours to match employee working hours, and costs parents less than alternative centers. In the survey, 64% of civilian and 97% of the military centers provided infant care, and many of both types of centers provided after-school care for older children in addition to care for 3- to 5-year-olds. Benefits to the employer were found to include an increase in the ability to attract employees, lower absenteeism and job turnover, a more positive attitude of the employees toward both employer and work, favorable publicity, and an improvement in community relations. In conclusion, some problems which are causing centers to close are indicated. (Author/RH)

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Child Care Centers Sponsored by Employers and Labor Unions in the United States

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As more and more mothers of preschool children in this country enter the labor market, the need for child care is increasing. Employers and labor representatives are recognizing the child care need as a major concern of employees and are exploring ways to alleviate it.

In 1960 only 19 percent of mothers, husband present, with preschool children were in the labor force, but by 1979 labor force participation of these mothers had increased to 43 percent (1). In 1979, 45 percent of all women with children under age 6 were in the labor force, putting an estimated 7.2 million preschool children in need of child care services.

Finding reliable child care has been a problem for many working women. A 1978 survey of mothers working full time revealed that 30 percent had changed child care arrangements within 2 years because of undependable or poor quality care (2). In 1979 the National Commission on Working Women reported on a national survey of over 80,000 employed women; thirty-three percent of those with dependent children reported that child care was a problem (3).

At industrial plants and offices throughout the country, management officials and labor representatives are aware of the link between unsatisfactory child care arrangements and employee absenteeism. Some employers and labor unions have helped to solve their own absenteeism problems and their employees' child care problems by sponsoring or supporting reliable child care services.

To gather information which would be helpful to employers and labor representatives considering support for employee child care services, a survey of employer-sponsored child care centers throughout the United States was conducted in 1978 (4). The survey identified centers sponsored by employers or labor unions for children of employees or union members, and examined the physical environments which allowed for development of the centers. Also, the sponsoring organization and its employees were characterized. In addition, benefits to employer and employees were determined, as well as problems that had jeopardized child care operations in the past. This report presents information from those findings.

Note: This report was prepared by Kathryn Senn Perry, Ph. D., and is based on "Survey and Analysis of Employer-Sponsored Day Care in the United States," University of Wisconsin-Milwaukee, 1978. Some sections of this report have been updated.

Survey Procedure

This information was obtained in three steps. The first was a survey of State day care licensing authorities and military officials to identify the names and addresses of child care centers sponsored by employers and labor unions for the use of employees. The second was a questionnaire sent to each of these centers, and the third was a questionnaire to employers who had once sponsored child care centers but subsequently closed them.

Centers sponsored by hospitals, industries, labor unions, Federal and State government agencies, and military installations received questionnaires. Although labor union centers usually were operated by the unions, they usually were financed by employers, so labor union centers were included in the employer-sponsored center category. Child care centers sponsored by colleges and universities were excluded because they functioned as teacher-training centers and provided child care for students as well as employees.

Number of Centers and Enrollment Estimates

All States responded to the requests for names of employer-sponsored centers, although incomplete lists were provided by Florida, New Jersey, and Virginia. Military authorities in the Air Force, Army, Marine Corps, and Navy provided lists of centers.

A total of 105 civilian centers were identified. They enrolled an estimated 8,419 children. Sponsors included 14 government agencies, 75 hospitals, 9 industries, and 7 labor unions. All centers named by day care licensing authorities were contacted to verify the status of their sponsorship. The highest density of civilian centers (74 percent) was in eastern and southern States.

Of the 200 child care centers located at military installations, 89 were sponsored by the Air Force, 50 by the Army, 15 by the Marine Corps, and 46 by the Navy. They were different from civilian-sponsored centers because they operated as a community service and frequently provided care while parents engaged in leisure activities as well as while they worked. An estimated 25,059 children were enrolled at the military centers.

Despite increases in the number of mothers of preschool children in the labor force over the last 10 years, the sponsorship of centers by hospitals and industries decreased. Between 1968, when the Women's Bureau conducted a survey of hospital-sponsored centers, and this survey in 1978, the number of hospital-sponsored centers decreased by 23 percent (5). In 1970 the Women's Bureau identified 11 industry-sponsored centers, but there were nine in 1978 (6). Although no one factor was responsible for these decreases, increased center costs and reductions in the "nursing shortage" may have been influences.

Of the identified child care centers in operation, 42 percent completed the questionnaire. The civilian centers received more reminders than the military centers and had a higher response rate. The civilian

centers had a 58.5 percent completion rate for the questionnaire, while 34.5 percent of the military centers responded.

Of the employers who had terminated child care operations, 23 responded.

Many employers and centers compiled information in unique ways. As a consequence some of those responding were unable to provide all of the data in the forms used in this survey. Therefore, percentage statistics in this report are based on varying sample sizes.

Sponsor Size and Percentage of Women Employees

The size of the organizations varied greatly. The average number of full-time employees for government agencies was 10,150; hospitals, 1,484; industries, 603; and the military, 6,898, based on samples of 4, 26, 3, and 27 organizations, respectively.

Employer-sponsored child care has often been associated with industries that employ a high percentage of women. Many but not all of the organizations in this survey had a high percentage of female employees. Women made up over 50 percent of the employees in 20 hospitals, in 7 industries connected with labor union centers, and in 3 government agencies. Of the industries that sponsored centers, a night club/resort and an insurance company are typical of those that hired a large proportion of women, but three others had an average of only 36 percent women. Representatives of 19 military installations reported that only 14 percent of employees were women.

Assessment of Need

An assessment was made of employees' need for child care before 89 percent of 56 civilian and 52 percent of 42 military centers were opened. Of 69 centers that described the types of assessment made, 73 percent used an employee questionnaire, 49 percent made a start-up and operational cost analysis, 42 percent did a survey of day care in the area, 35 percent organized a task force to evaluate the day care situation, and 9 percent made other assessments.

Number of Years in Operation

The number of years in operation for 108 open child care centers ranged from 0.4 to 36.8, with an average of 13.2. Military and hospital centers had been in operation longest, as shown below:

	Number in sample	Average years in operation
Military	53	16.8
Civilian	55	9.9
Hospital	44	11.3
Industry	5	5.3
Government	6	4.0

Location

Most civilian centers were located in or close to the employees' workplace. Military centers were located on the military installation. Only 13 percent of 63 civilian centers were farther than one block from the parents' workplace.

Days and Hours of Operation

The days and hours that the child care centers were in operation varied and reflected the working hours of employees.

One industry center, one government agency center, and 43 percent of the 44 hospital centers remained open long enough to service two work shifts, but all the other civilian centers operated during one shift only. Seven percent of 15 Army centers and 48 percent of 25 Air Force centers remained open for one and one-half to two work shifts during the week. All other military centers operated during one shift only.

A center in one government agency and 43 percent of 44 hospital centers were open 7 days a week. All other civilian centers were open 5 days only. Seventy-one percent of 60 military centers remained open on Friday evening and 66 percent remained open on Saturday evening.

Enrollment

All centers responding to the survey enrolled children ages 3 to 6. In addition, infant day and after-school care were available at many centers. Sixty-four percent of the 53 civilian centers and 97 percent of 57 military centers enrolled infants under 1 year of age. Six- to 10-year-old children were enrolled in 34 percent of 53 civilian centers and in 79 percent of 57 military centers.

The total enrollment at 62 military centers with an average enrollment of 134 children each was higher than the total at 55 civilian centers with an average of 72 children each.

Most children enrolled at the civilian centers had a parent employed by the sponsoring organization (or a member of the sponsoring union). In over half (54.5 percent) of 55 civilian centers, enrollment was restricted to children of employees. At 53 civilian centers, an average 91.2 percent of the children had a parent employed by the sponsoring organization.

All military centers reported that children of military personnel were eligible for enrollment. At many military centers, children of civilian personnel working at the installation and dependents of retired military personnel were also eligible for enrollment.

Administration and Staff

Responsibility for administration of the child care center was within a department of the sponsoring organization in 39 civilian centers and

53 military centers. A separate board of directors administered the center in six civilian centers and two military centers. Four of 63 civilian centers and one of 68 military centers were operated under a contract by a private child care organization.

The make-up of teaching staff varied between civilian and military centers. Civilian centers employed more full-time caregivers. Military centers employed more part-time caregivers. There was an average of 8.4 full-time caregivers at 55 civilian and 5.6 at 66 military centers. An average number of 1.9 part-time caregivers worked at civilian centers and 10.8 at military centers.

Significantly more full-time caregivers with 4-year college degrees were employed at civilian than military centers. The average number of degreed caregivers at civilian centers was 1.6. The average at military centers was 0.2. The civilian centers averaged 0.29 part-time degreed teachers and military centers, 0.24.

The most frequently reported nonteaching staff members were administrators, secretaries, custodians, and cooks. Full-time administrators not in the classroom were retained by 65 percent of 55 civilian centers and 80 percent of the 66 military centers polled. Full-time secretaries or desk clerks were staff members of 16 percent of these civilian and 24 percent of military centers. Full-time custodians served 16 percent of the civilian and 33 percent of the military centers, and full-time cooks were on the staff of 16 percent of the civilian and 39 percent of the military centers.

Funding

Funding for the child care centers was accomplished through a combination of fees for services and employer subsidies. Only 33 percent of the employer-sponsored centers reported outside funding in addition to fees and employer subsidies.

Fees and Budget

All centers surveyed except one labor union center and one hospital center charged fees for services. Average charge for 5 days of care was $24.21 for 54 civilian and $23.05 for 61 military centers.

The average total operating budget was $107,270 for 36 civilian centers and $107,250 for 60 military centers in 1978.

Employer Subsidies

Employer subsidies were in three categories: in-kind services, start-up expenses, and operating expenses. Eighty percent of 61 civilian centers reported provision of in-kind services while 86 percent of 58 military centers provided them. There were 101 centers reporting the provision of specific in-kind services. Seventy-eight percent offered free use of facility; 53 percent, janitorial services; 36 percent, food services; 45 percent, health services; 27 percent, secretarial services;

20 percent, maintenance/repair services; 5 percent, laundry services; 17 percent, utilities; and 16 percent, other services.

Start-up subsidies were reported by 71 percent of 61 civilian centers. They averaged $125,846 in 14 instances.

Subsidies for operating expenses were reported by 71 percent of 61 civilian and 31 percent of 58 military centers. The average operating subsidies for 17 civilian centers was $57,530.

Outside Funding

Thirty-three percent of all 121 centers responding reported funds received from sources other than the employer. Thirty-six percent of 58 civilian centers and 30 percent of 63 military centers received this funding from sources ranging from Federal programs to local donations. An average of $18,054 from the U.S. Department of Agriculture or State school lunch program funds was reported by seven civilian and four military centers. An average of $43,950 from Title XX, Social Security Act, was received by four civilian centers. Two centers received Comprehensive Employment and Training Act (CETA) funding; one of $2,200, the other of $144,000. Three others received United Way funding averaging $6,733 each; nine had small grants and contributions averaging $1,039 each; and four reported other government funding sources with an average of $30,850 per center.

Job Skills of Parents

Although child care is often viewed as a service for the unskilled welfare or single mother, employer-sponsored child care centers in this survey served mainly skilled and professional employees. For 38 civilian centers the percentage of parents in supervisory or professional jobs was 39; other white-collar jobs, 35 percent; skilled blue-collar jobs, 18 percent; and unskilled blue-collar jobs, 8 percent.

Transportation

The major method of transporting children to the centers was by car. At the 87 centers reporting on transportation, 97 percent of the employees transported their children by car.

Parent Involvement

In many instances parents became involved in center administration by helping to make policies. Parents had a policy-making role in 57 percent of 61 civilian and in 61 percent of 64 military centers.

Some parents visited during the day at 68 percent of 57 civilian and at 36 percent of 66 military centers. The average number of visits that any parents made during a week at these centers was 11 and 10, respectively.

Benefits

Many benefits to employers resulted from the child care centers. The ones mentioned were:

No. of centers	Benefits
53	Increased ability to attract employees
49	Lower absenteeism
48	Improved employee attitude toward sponsoring organization
40	Improved employee attitude toward work
40	Favorable publicity to employer for articles about center
34	Lower job turnover rate
29	Improved community relations

Benefits to the parent included the availability of reliable child care, low average weekly fees, the ability to visit the child during the day, and the convenience of transporting the child to an on-site center.

Reasons for Closing Employer-Sponsored Centers

Questionnaires and telephone interviews were used to obtain information from employers who had closed child care operations. Many reasons for closing involved program costs, some involved changes in or an inaccurate initial appraisal of the demand for child care services, some involved changes in the priority of child care, and others involved specific other problems.

Cost-related reasons included: high subsidies, reported by nine centers; unwillingness of employees to pay fees, reported by three; termination of outside funding, reported by one; and expense of needed expansion, reported by one.

In many centers, the services provided had not been matched with the demand for child care before the center opened. Eleven employers reported that not enough employees were using the center to fill it with employee children. One center reported that the center benefited only a few employees. A reason contributing to the closing of one center was that the operating hours did not serve second-shift and weekend employees.

Changes in the perceived value of the child care center also were expressed. A center was no longer needed to attract and keep a steady work force, four centers reported. The center was needed for other uses, four others indicated. Additional reasons contributing to the closing were administrative problems at four centers and government regulations at one.

Recent Developments

Since the survey completion, six additional industry-sponsored child care centers opened in the United States. The Albert P. Beutel, II, Day Care Center sponsored by Intermedics, Freeport, Texas, began operation in November 1979 and enrolls 250 children.

Living and Learning, a child care corporation, began operating child care centers at Allendale Insurance Company, Johnston, Rhode Island, and Union Mutual Life Insurance Company, Portland, Maine. Living and Learning leases space from the insurance company and provides a 10 percent discount to employees. The insurance companies guarantee a certain enrollment. Maximum enrollment at the Allendale Center is 90 and at the Union Mutual Center, 100.

Zales Corporation, Dallas, Texas, recently opened a center for 72 children; Hoffman La Roche, Clifton, New Jersey, now supports a center for 40 children; and broadcasters in Washington, D.C., support the Broadcasters Child Development Center, which was initiated with the help of five area TV and radio stations for their employees.

Summary

From responses of participants in this survey, it appears that in situations with successful employer-sponsored day care there are children whose parents work in professional as well as skilled white- and blue-collar positions; facilities and/or services are provided by the employer for use by the child care center, and employees use automobile transportation to bring their children to the center.

Employer-sponsored child care is usually located close to the workplace, has flexible operating hours to match employee working hours, and costs parents less than alternative centers. In the survey 64 percent of civilian and 97 percent of the military centers provided infant care, and many provided after-school care for older students in addition to care for 3-to-5-year olds.

Benefits to the employer include an increase in the ability to attract employees, lower absenteeism and job turnover, a more positive attitude of the employees toward both employer and work, favorable publicity, and an improvement in community relations.

Some problems causing centers to close include the escalation of subsidies to amounts greater than the employer is willing to provide, a discrepancy between number of child care slots provided and the number needed by employees, administrative problems in running the center, and need for use of the facility in other capacities.

Footnotes

1. U.S. Department of Commerce, Bureau of the Census. Current Population Reports. Population Characteristics, Series P-20, No. 336. 1979, p. 42.

2. Jane Whitbread. Who's Taking Care of the Children? Family Circle. February 20, 1979, p. 102.

3. National Commission on Working Women. National Survey on Working Women. Washington, D.C.. National Manpower Institute, 1979, p. 2.

4. Kathryn Senn Perry. Survey and Analysis of Employer-Sponsored Day Care in the United States. Doctoral Dissertation. University of Wisconsin-Milwaukee, 1978.

5. U.S. Department of Labor, Women's Bureau. Child Care Services Provided by Hospitals. Bulletin 295. 1970, p. 5.

6. U.S. Department of Labor, Women's Bureau. Day Care Services: Industry's Involvement. Bulletin 243. 1971, p. 8.

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